

## Of loopholes and double taxation



The slew of advisers and bankers engaged in attracting investors to the CR are faced with a dilemma. The CR is receiving positive international press for its new 15% flat personal-income tax and 21/20/19 corporate tax. When asked about it, should the CR's unofficial frontmen smile approvingly or launch into an explanation of why 15% is really 23% and why 21/20/19 has lots of "buts" attached? MP Lubomír Zaorálek of ČSSD is so angry about the new way of calculating personal tax that he wants to turn to the Constitutional Court. How can the government make people pay tax on employer-paid social charges when these charges aren't income to the taxpayer, he asks? It's a valid question. As to the advisers and bankers, the really plugged-in ones can explain to investors with a wink that for anyone who knows all the new loopholes, the rates can even be lower than advertised.

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